

**BCC Meeting: May. 21, 2019  
Research Notes**

**Item No. TBD  
File No. 191148**

**Researcher: IL Reviewer: TD**

RESOLUTION APPROVING REJECTION OF ALL PROPOSALS RECEIVED IN RESPONSE TO REQUEST FOR PROPOSALS NO. RFP-00085 FOR THE PURCHASE OF THE COMPRESSED NATURAL GAS PROGRAM FOR VARIOUS DEPARTMENTS

**ISSUE/REQUESTED ACTION**

Whether the Board should approve the rejection of all bids received in response to Proposals No. RFP-00085 for the purchase of the compressed natural gas program for various departments.

**PROCEDURAL HISTORY**

**Prime Sponsor: None**

**Department/Requester: Internal Services Department**

This item was brought before the Health Care and County Operations Committee on May 16, 2019.

- According to representatives (Miguel De Grande) from Nopetro (the winning firm) multiple jurisdictions as well as private waste management sectors have gone towards CNG due to cost and environmental benefits.
- Commissioner Bovo motioned to have a discussion on this item at the May 21 BCC meeting and defer this item until the discussion takes place.
- Commissioner Suarez: Made a motion to recommend that the County approve the bid before them. There is no issue with fueling stations because the County already has fueling stations available.
- Commissioner Souto: Miami-Dade County is the capital of the Americas, and we are looked to by these countries to see how we conduct business. If CNG is the technology to go with, then leaders in Latin America appreciate that the County is on pace with contemporary technology.

**ANALYSIS**

This item proposes that the Board approve the rejection of all bids received in response to Bid No. RFP-00085 due to the demand for these services being moot as a result of an analysis conducted by TriEnergy Solutions, LLC (TriEnergy). TriEnergy performed a natural gas consulting services contract concluding that while natural gas is competitively priced with diesel, the costs to implement the CNG Program far exceed the potential savings. The County's costs could be over \$3,000,000 the first year, increasing significantly each year thereafter. This is due to the cost of the CNG fueling stations, needed investment in the maintenance facility, upcharge to purchase CNG vehicles, and number of vehicles contemplated in the rolling fleet replacement plan.

The useful life of a garbage truck is less than other types of trucks, requiring more frequent turnover, and CNG garbage trucks have a higher cost than diesel trucks adding to the cost of the program. The County does not realize enough mileage on the heavy fleet to reap the benefits of the lower natural gas prices in order pay for the costs to implement a CNG Program.

There is no fiscal impact to the County as a result of the rejection of the bids. However, the cost of alternative high efficiency vehicles is unknown.

Request for Proposal was issued on May 23, 2014 under full and open competition. Three (3) bids were received along with four no bids on January 18, 2014. The Competitive Selection Committee (CSC) evaluated the bids and Nopetro-OHL MDC was recommended for negotiations as a result of a local preference application. The negotiations were not

**BCC Meeting: May. 21, 2019**  
**Research Notes**

**Item No. TBD**  
**File No. 191148**

**Researcher: IL Reviewer: TD**

successful as a result of the analysis conducted by Tri Energy due to the cost benefit analysis stated in the Mayoral memo. At this time, the solicitation will not be advertised.

“The project was intended to consist of:

- finance, develop, and construct County CNG fueling stations at fleet shop sites
- operate and maintain the installed equipment for the fueling stations
- convert existing or build new maintenance facilities to accommodate CNG vehicles
- supply the natural gas and resulting CNG fuel for vehicles
- lease County property for public access fast fill CNG fueling stations

**ADDITIONAL INFORMATION:**

Today, over 17,000 natural gas refuse and recycling trucks operate across the country, and about 60 percent of new collection trucks on order are powered by natural gas. Waste Management operates more than 6,000 heavy-duty natural gas trucks. To power these vehicles, Waste Management has constructed more than 100 natural gas stations, many of which are publically accessible.

<https://www.ngvamerica.org/vehicles/refuse/>

Below is an image of a CNG Garbage Truck working for the City of Seattle, Washington.



**DEPARTMENTAL INPUT:**

The following questions were asked to the Internal Services Department (ISD) on May 16, 2019. On May 17, 2019 a follow-up call was made to ISD. As of the date of publication of this note, ISD had not responded to the questions below.

- Can CNG fueling stations for busses be used also for garbage trucks?
- Why are we declining this proposal which is a cost saving and environmentally supportive measure? What measure replaces it?
- Why are we refusing these bids based on a need that exceeds the RFP?
- When did the department know that the RFP was not suffice the County's needs?
- Could you provide a copy of the analysis conducted by TriEnergy Solutions, LLC?

**BCC Meeting: May. 21, 2019  
Research Notes**

**Item No. TBD**  
**File No. 191148**

**Researcher: IL Reviewer: TD**

**APPLICABLE LEGISLATION/POLICY**

**Section 2-1 of the Code of Miami-Dade County, (Rules of Procedure),** Provides the Rules of Procedures for the Board of County Commissioners; provides that items approved at committee meetings recommending the award or rejection of contracts for public improvements and purchases of supplies, materials, and services (including professional services) shall not be subject to the four-day rule; establishes that approvals to exercise OTR terms do not require committee review.

[https://library.municode.com/fl/miami\\_dade\\_county/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_CH2AD\\_ARTIINGE\\_S2-1RUPRCOCO](https://library.municode.com/fl/miami_dade_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-1RUPRCOCO)

**Section 2-8.1 of the Code of Miami-Dade County (Contracts and Purchases Generally)** applies to all contracts for public improvements and purchases of all supplies, materials and services other than professional services and (1) requires formal sealed bids for purchases over \$250,000.00; (2) describes the circumstances under which non-competitive purchases may be approved; (3) establishes requirements for legacy purchases, designated purchases, and single vehicle leases; and (4) provides that procurement procedures shall be established by Implementing Order (I.O.) and approved by the Board.

[https://library.municode.com/fl/miami\\_dade\\_county/codes/code\\_of\\_ordinances?nodeId=PTIICOOR\\_CH2AD\\_ARTIINGE\\_S2-8.1COPUGE](https://library.municode.com/fl/miami_dade_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH2AD_ARTIINGE_S2-8.1COPUGE)

**Resolution No. R-187-12**, adopted February 21, 2012, directs the County Mayor to include due diligence information in memoranda recommending certain contract awards.

<http://intra/gia/legistarfiles/MinMatters/Y2012/120287min.pdf>

**Resolution No. R-477-18**, adopted May 1, 2018, directs the County Mayor to disclose to the Board the reasons goods and services are not being procured through local businesses when the recommendation is to award a contract to a non-local vendor or to establish a prequalification pool where less than 75 percent of the pool members are local businesses.

<http://intra/gia/matter.asp?matter=180822&file=true&yearFolder=Y2018>

**Resolution No. R-419-14**, adopted April 1, 2014, authorizing the County Mayor to advertise a Request for Proposals (RFP) for a compressed natural gas (CNG) program.

<http://www.miamidade.gov/govaction/matter.asp?matter=140812&file=true&fileAnalysis=false&yearFolder=Y2014>

**Resolution No. R-9919**, adopted January 23, 2019, approved Purchase Order No. POMT 1900555 with Gillig LLC in the amount of \$69,210,520.00 for the purchase of 120 Low-Floor 40-foot compressed Natural Gas (CNG) buses through the Central Florida Regional Transportation authority D/B/A/ Lynx Contract No. 14-C09.

<http://www.miamidade.gov/govaction/matter.asp?matter=190042&file=true&fileAnalysis=false&yearFolder=Y2019>

**Implementing Order No. 3-38** provides the County's processes and procedures for the purchase of goods and services. The I.O. outlines: the roles and responsibilities of the Internal Services Department; the methods of purchasing goods and services; the authority to award and modify contracts; and the requirements for access contracts, emergency purchases, bid waivers, confirmation purchases and sole sources.

<http://www.miamidade.gov/aopdfdoc/aopdf/pdffiles/IO3-38.pdf>

